

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 7189

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E.O. 11652: N/A
TAGS: BDIS, IN
SUBJECT: LUDLOW JUTE

REF: NEW DELHI 14615

1. DURING ECONOMIC COUNSELOR'S CONSULTATIONS IN DEPARTMENT,
LUDLOW OFFICIALS J.L. O'CONNOR, SENIOR VICE PRESIDENT
AND R.Y. COPLAND, VICE PRESIDENT PAID CALL TO DISCUSS
PROBLEM OF SALE LUDLOW INDIA COMPANY.

2. LUDLOW ASSUMES THEIR APPLICATION TO SELL TO APEEJAY
WILL BE FORMALLY REJECTED BUT REMAIN VERY ANXIOUS TO
SELL THEIR HOLDINGS IN INDIA QUICKLY. AS A RESULT OF
THESE TALKS, ECONOMIC COUNSELOR MET WITH A.V. GANESAN,
JOINT SECRETARY, MOF ON NOVEMBER 8.

3. GANESAN APOLOGIZED FOR DELAY IN TRANSMITTING LETTER
OF REJECTION. FILE WAS BEING REVIEWED AT MINISTRY OF
COMMERCE BUT HE PROMISED TO RECALL THE FILE TODAY
AND SEND LETTER TOMORROW OR FRIDAY. LETTER WOULD
SIMPLY STATE APPLICATION WAS BEING REJECTED WITHOUT
GIVING ANY REASONS. GOI, HE SAID, DID NOT WANT
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REJECTION PUBLICALLY ASSOCIATED WITH APEEJAY POLITICAL
PROBLEM, BUT IN CONFIDENCE SAID THAT THAT WAS, IN FACT,
PRINCIPAL REASON FOR REJECTION.

4. HE VOICED HOPE, AS HE HAD PREVIOUSLY, THAT LUDLOW
WOULD DECIDE TO STAY IN INDIA AS A 100 PERCENT LUDLOW-
OWNED COMPANY. WHEN TOLD COMPANY DEFINITELY WISHED TO

SELL, HE SAID MOST IMPORTANT POINT WAS THAT CHOICE OF BUYER WAS CLEARLY SEEN TO BE LUDLOW'S FREE CHOICE AND NOT ONE INFLUENCED BY GOVERNMENT.

5. GANESAN UNDERSTOOD DIFFICULTY THIS IMPOSED ON LUDLOW IN HAVING TO NEGOTIATE SALE BEFORE KNOWING IF BUYER WAS ACCEPTABLE TO GOI. HE AND B.L. DAS, JOINT SECRETARY, MINISTRY OF COMMERCE WERE TWO OFFICIALS MOST DIRECTLY CONCERNED WITH THIS SALE. THEY WOULD BE WILLING, UNOFFICIALLY, TO DISCUSS LIST OF PROSPECTIVE BUYERS WITH LUDLOW, TO INDICATE WHICH, IF ANY, OF THE BUYERS WOULD NOT BE ACCEPTABLE. THIS WOULD NOT INVOLVE PRE-COMMITMENT TO ACCEPT ANY OF THOSE NOT REJECTED AS OTHER FACTORS, INCLUDING PRICE, WOULD HAVE TO BE CONSIDERED IN THE FINAL JUDGEMENT. THEY WOULD NOT WISH TO DISCUSS PRICE OR OTHER CONDITIONS IN THESE UNOFFICIAL TALKS. NORMAL PROCESSING TIME FOR AN APPLICATION TO SELL WOULD TAKE ABOUT FOUR TO SIX WEEKS.

6. ECONOMIC COUNSELOR, MAKING CLEAR IT WAS A PERSONAL

QUESTION NOT PROMPTED BY LUDLOW, ASKED IF GOVERNMENT ENTITIES MIGHT BE INCLUDED AS POTENTIAL BUYERS. GANESAN SAID THIS WOULD MAKE THE SALE "MUCH EASIER". DAS, HE SAID, WOULD BE MORE AWARE IF ANY GOVERNMENT COMPANY WOULD BE INTERESTED. HE REITERATED THAT IF THIS ROUTE WAS TAKEN, LIMITED OFFICIAL USE

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IT WOULD HAVE TO BE CLEARLY SEEN THAT IT WAS LUDLOW'S CHOICE, AS THE GOI WOULD NOT WANT OTHER POTENTIAL DIVESTEEES TO TAKE THIS AS A CUE. HE AGREED, HOWEVER, THAT SELLING TO A GOVERNMENT ENTITY WOULD PROBABLY TAKE LESS TIME.

7. COMMENT: EMBASSY WOULD APPRECIATE DEPARTMENT (NEA/INS) RELAYING ABOVE INFORMATION TO O'CONNOR, TEL: 617-444-4900.
BLOOD

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NNN

Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 08-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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